



# PUBLIC NOTICE

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## WIRELINE COMPETITION BUREAU PROVIDES GUIDANCE TO CARRIERS RECEIVING CONNECT AMERICA FUND SUPPORT REGARDING THEIR BROADBAND LOCATION REPORTING OBLIGATIONS

### WC Docket No. 10-90

By this Public Notice, the Wireline Competition Bureau (Bureau) provides guidance to Connect America Fund recipients regarding their obligation to report geo-located broadband information and make service milestone certifications to the Universal Service Administrative Company (USAC).<sup>1</sup>

The 2016 *Rate-of-Reform Return Order* directed USAC to develop an online portal to accept geo-located broadband information and related certifications. USAC has nearly completed its implementation of the first version of the portal, the High Cost Universal Service Broadband portal or “HUBB.” Carriers must begin filing such information in the HUBB in 2017.<sup>2</sup> Consistent with the Bureau’s ongoing effort to provide information to carriers in advance of implementation of reforms, we provide this guidance now so that carriers can develop internal policies and procedures to comply with these obligations in 2017.

### Background

In the *December 2014 Connect America Order* and the *2014 Rural Broadband Experiments Order*, the Commission required recipients of Phase II-model based support and Rural Broadband Experiment (RBE) funds to file broadband location information and related certifications regarding progress towards their service milestones.<sup>3</sup> In the 2016 *Rate-of-Return Reform Order*, the 2016 *Alaska Order*, and the 2016 *ACS Order*, the Commission directed rate-of-return carriers outside of Alaska (rate-of-return carriers), rate-of-return carriers subject to approved Alaska performance plans (rate-of-return

<sup>1</sup> *Connect America Fund et al.*, Report and Order et al., 31 FCC Rcd 3087, 3166, para. 214 (2016) (*Rate-of-Return Reform Order*) (directing the Bureau to work with USAC to develop an online portal). This reporting obligation does not apply to competitive eligible telecommunications carriers (ETCs) without broadband obligations, recipients that solely receive support from the Phase I Mobility Fund, or price cap carriers that declined Phase II model-based support. Recipients of Phase I Round 2 incremental support must continue to report required location information and the associated certifications through their FCC Form 481.

<sup>2</sup> See, e.g., *id.* at 3117, para. 79 n.156 (describing portal filing obligations for recipients of Phase II model-based support); *id.* at 3167, para. 219 (describing portal filing obligation for rate-of-return carriers).

<sup>3</sup> *Connect America Fund et al.*, Report and Order, 29 FCC Rcd 15644, 15686-89, paras. 124-28 (2014) (*December 2014 Connect America Order*); *Connect America Fund et al.*, Order, 29 FCC Rcd 8769, paras. 76-85 (2014) (*Rural Broadband Experiments Order*). Recipients of Phase II model-based support were previously required to submit in their FCC Form 481 due July 1, 2016, the locations where they already were offering service through the end of 2015, including locations where they were meeting the requisite requirements prior to receiving Phase II model-based support. See *December 2014 Connect America Fund Order*, 29 FCC Rcd at 15688, para. 125. RBE recipients have already filed such information in 2016 on FCC Form 481 as well, with USAC, with the Commission in docket 14-259 and with the relevant state commission and Tribal government, as appropriate.

Alaska Plan carriers), and Alaska Communications Systems (ACS) to file similar information and certifications.<sup>4</sup>

Rate-of-return carriers, recipients of Phase II model-based support and ACS must file broadband location information in the HUBB by March 1, 2017,<sup>5</sup> and deployment milestone certifications in later years.<sup>6</sup> By March 1, 2018, rate-of-return Alaska Plan carriers must also report their location data and, in later years, make milestone certifications in the HUBB.<sup>7</sup> Beginning with reporting and certification obligations due by March 1, 2018, RBE recipients must file their location data and milestone certifications in the HUBB as described below.<sup>8</sup>

We anticipate that over at least the next 10 years, more than 1000 recipients will submit at least 4.5 million individual location records in the HUBB in fulfillment of their Connect America Fund obligations. The HUBB's ready acceptance and analysis of carrier data will meaningfully advance accountability in the use of the Connect America Fund.<sup>9</sup> For administrative efficiency, in light of the volume of records anticipated, it is important that the HUBB be highly automated, with manual processing and analysis of records kept to a minimum.

The HUBB will be ready and able to accept location information in early 2017.<sup>10</sup> The system will, however, gain significant new capabilities following this year's March 1, 2017 filing deadline. For example, as directed by the Commission, in the future, the public will gain access to all location data filed in the HUBB on an aggregated and carrier-by-carrier basis as well as through a user-friendly map generated from the HUBB data.<sup>11</sup>

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<sup>4</sup> See *Rate-of-Return Reform Order*, 31 FCC Rcd at 3163-3169, paras. 209-217 (reporting obligations for rate-of-return carriers); *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 16-115, paras. 57-60 (reporting obligations for rate-of-return Alaska Plan carriers) (*Alaska Order*); *Connect America Fund*, Order, FCC 16-143, paras. 49-55 (describing ACS's deployment and reporting obligations, which are similar to the Phase II model-based support recipients' obligations) (*ACS Order*).

<sup>5</sup> This reporting requirement is pending approval under the Paperwork Reduction Act.

<sup>6</sup> *Rate-of-Return Reform Order*, 31 FCC Rcd at 3174, para. 210; *ACS Order*, para. 43 (requiring filing of location data by March 1, 2017 with the first deployment milestone by the end of 2018 (30 percent of locations)).

<sup>7</sup> See *Alaska Order*, para. 57 ("[S]tarting on March 1, 2018, and on a recurring basis thereafter, we will require all [rate-of-return] Alaska Plan participants to submit to USAC the geocoded locations for which they have newly deployed or upgraded broadband meeting the minimum speeds in their approved performance plans and their associated speeds"). Future recipients of support from the Phase II auction and Remote Areas Fund also must file location information and make similar milestones certifications in the HUBB. See *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 5949, 6009-6015, 6020 paras. 169-184, 204 (2016) (*Connect America Phase II Auction Order*) (adopting reporting obligations and submission of data to the portal once auction is held and support is awarded).

<sup>8</sup> As explained below, for the sake of administrative efficiency, we require RBE recipients to file in the HUBB any location information and related certifications that are due March 1, 2018 or later.

<sup>9</sup> See *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17681, para. 51 (2011); *Rate-of-Return Reform Order*, 31 FCC Rcd at 3092, 3164, paras. 7 & n.18, 210.

<sup>10</sup> USAC has provided carriers guidance regarding the format and process for filing data in the HUBB. See Universal Service Administrative Company, High Cost Universal Service Broadband Portal, <http://www.usac.org/hc/tools/hubb.aspx> (HUBB Landing Page) (last visited Nov. 21, 2016). It will also provide to carriers notice of the date on which the HUBB will be ready to accept location information.

<sup>11</sup> The Commission does not consider confidential the location information filed by carriers into the HUBB. See *Rate-of-Return Reform Order*, 31 FCC Rcd at 3164, para. 221 ("USAC must provide the public with the ability to easily view and download non-confidential information, including . . . the geocoded location information. . . for both

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In addition, the Bureau and USAC will work closely with state regulatory authorities and Tribal governments so that they continue to have timely access to carrier data within their jurisdiction. States and Tribal governments may wish to review the location data to perform oversight to support their certification to the Commission, due each October 1, that the “support provided to such carriers within the state was used in the proceeding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”<sup>12</sup> To assist the states and Tribal governments perform their oversight function, by July 1 of each year, USAC will provide states and Tribal governments with access to location information filed through the end of the prior calendar year and submitted in the report due March 1 by carriers within their jurisdiction.<sup>13</sup> Providing HUBB data to states and Tribal governments each July 1 is consistent with the July 1, 2016 due date for location data previously filed with the Commission, states, and Tribal governments on FCC Form 481.<sup>14</sup> In the near term, USAC may provide carrier location information to states and Tribal governments through a means other than direct HUBB access (e.g., in a spreadsheet sent by USAC to states and Tribal governments). As it implements additional functionality in the HUBB, USAC expects also to provide states and Tribal governments with the ability to query the HUBB itself to request and view location data for carriers in their jurisdiction. We expect USAC to work with states and Tribal governments as it implements additional functionalities in the HUBB to increase the familiarity of all interested parties with the HUBB.

### Qualifying Locations Reporting

The specific locations that must be reported differ depending on the support received. For recipients of Phase II model-based support, RBEs, and recipients of Connect America Fund A-CAM (CAF A-CAM) support, carriers may count towards their respective deployment obligations any location where service meeting the requisite requirements is available, including “**pre-existing**” locations where service was available before funding authorization. In contrast, recipients of Connect America Fund Broadband Loop support (CAF-BLS) and Connect America Fund support for rate-of-return carriers pursuant to the Alaska Plan need only report locations that are **newly served**.<sup>15</sup>

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individual carriers and in aggregated form.”). Carriers have a duty under section 54.201 to advertise the availability of supported services to the public, and locations may only count towards carrier requirements if they can be activated within 10 business days upon request. *See* 47 CFR § 54.201; *Rate-of-Return Reform Order*, 31 FCC Rcd at 3164, para. 211. By definition, the offering of service to the public means the location of service availability is not confidential.

<sup>12</sup> 47 CFR §§ 54.314(a), (d). Carriers not subject to state jurisdiction must also make the certification by October 1. *See* 47 CFR §§ 54.314(b), (d).

<sup>13</sup> *Rate-of-Return Reform Order*, 31 FCC Rcd at 3168, para. 222 (noting that states and Tribal governments will have access to information filed by carriers in the online database). USAC will also provide to states a means to receive any subsequent corrections or amendments made to a carrier’s report after March 1, 2017.

<sup>14</sup> *See* 47 CFR § 54.316(h)(2)(i) (requiring FCC Form 481 to be filed with the Commission and USAC as well as states, territories and Tribal governments as appropriate); 47 CFR § 54.316(j) (setting July 1 due date for FCC Form 481).

<sup>15</sup> In the *Rate-of-Return Reform Order*, the Commission required “all rate-of-return carriers, starting in March 2017, and on a recurring basis thereafter, to submit to USAC the geocoded locations to which they have newly deployed broadband.” *Rate-of-Return Reform Order*, 31 FCC Rcd at 3164, para. 210. Pursuant to section 54.316(a), they have an obligation to report all newly served locations in their eligible area capable of providing 4 Mbps/1 Mbps, 10 Mbps/1 Mbps and 25 Mbps/3 Mbps. *See* 47 CFR § 54.316(a)(3). *See also* 47 CFR § 54.316(a)(5) (requiring rate-of-return Alaska Plan recipients to report newly deployed and upgraded locations). We also note that, unlike Phase II model-based support recipients that only are required to report qualified locations capable of providing at least 10

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All carriers must submit a list – in the format required by USAC’s data specification<sup>16</sup> – of the residential and business locations to which they have made broadband service commercially available within their eligible service area within the relevant time period.<sup>17</sup> Broadband service is available if the carrier provides it to the location or could provide it within ten (10) business days upon request. The latitude/longitude of location should be situated somewhere on the parcel of the location. Filers should use the guidance below, which is based on U.S. Census definitions,<sup>18</sup> to determine the types of locations that should and should not be reported.

## Residential Locations

For purposes of filing residential location data with USAC, carriers should report the **housing units** (as defined by the Census Bureau) in their eligible service area to which they have made broadband service available. We use this definition across all recipients to ensure consistency in reporting.<sup>19</sup>

**Housing units** are defined by the Census Bureau as living quarters in which the occupant or occupants live separately from any other individuals in the building and have direct access to their living quarters from outside the building or through a common hall.

**Apartment Buildings.** Multiple housing units in a single structure at a single street address, such as apartment buildings, must be reported as a single record even though each unit will be counted as a separate location. Filers should report such buildings in a single record with a single latitude/longitude, and enter the number of units of the building in the Number of Units field.

**Group Quarters.** The Census Bureau does not classify group quarters, such as college dormitories, as housing units. Therefore, filers should not report group quarters as residential locations in their location data. See the “Do’s and Don’ts” section below for more examples of group quarters facilities.

## Business Locations

In addition to residential locations, filers should report the locations of businesses to which they have made mass market broadband service available. Filers should only report the locations of businesses that they would expect to demand consumer-grade broadband service, which typically are small

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Mbps/1 Mbps, ACS must separately report each location where it is offering speeds (1) of at least 10 Mbps/1 Mbps, but less than 25 Mbps /3 Mbps and (2) at least 25 Mbps/3 Mbps. *See ACS Order*, para. 52.

<sup>16</sup> See HUBB Landing Page at <http://www.usac.org/hc/tools/hubb.aspx>.

<sup>17</sup> *Rate-of-Return Reform Order*, 31 FCC Rcd at 3174, para. 210. The eligible service areas for Phase II model-based support recipients are the census blocks for which they are authorized to receive Phase II support as well as extremely high-cost census blocks attributable to each carrier. CAF A-CAM recipients’ eligible service area are the census blocks for which they are authorized to receive support (both fully funded and partially funded census blocks). Prior to the conclusion of the CAF-BLS challenge process, CAF-BLS recipients’ eligible service areas are the census blocks (or portions thereof) within their study area boundaries. Following the conclusion of that process, such carriers’ eligible service areas will not include those census blocks where it is determined there is an unsubsidized competitor.

<sup>18</sup> U.S. Census Bureau, 2010 Census of Housing and Population, <http://www.census.gov/prod/cen2010/doc/sf1.pdf> (last visited Nov. 21, 2016) (Census Data).

<sup>19</sup> Letter of Dusty Johnson, Vice President, Consulting, Vantage Point, to Marlene. H. Dortch, Secretary, FCC, WC Docket No. 10-90 (filed Oct. 27, 2016) (urging the Commission to use a broad definition of location for purposes of meeting rate-of-return carrier deployment obligations, whether or not carriers are receiving A-CAM support).

businesses.<sup>20</sup> Filers should not report the locations of larger businesses that purchase or would be expected to purchase dedicated high-capacity transmission services, such as business data services (also known as special access). Filers should count each developed commercial property that meets those criteria and has its own street address as a separate location.

For purposes of deciding what business locations “count,” filers should consider the nature of the service offered to the location. A “small business” would typically subscribe to mass market “best efforts” broadband Internet access service. This does not mean the business actually is subscribing to this service, but rather this is a location where the carrier is commercially offering mass market broadband Internet access service to end users and would provide this type of service if the customer requested it.

**Office Buildings.** If an office building or commercial property has one street address with multiple units or suites, filers should list that property in a single record with a single pair of latitude/longitude coordinates and then report the number of units/suites that meet the criteria described above in the Number of Units field.

### Duplicates

No record should have the same latitude/longitude as any other record that a filer is submitting or has submitted in the past. Records must contain unique latitude/longitude coordinates. A record with latitude/longitude coordinates that match another record will not be accepted by the system and will not count towards meeting a filer’s deployment obligations.<sup>21</sup>

As discussed above, filers should report buildings with multiple units in a single record with a single pair of latitude/longitude coordinates and should enter the total number of units in the building, such as apartments or suites, in the Number of Units field.

Filers using geocoders to determine the latitude/longitude of a served address should be aware that some geocoding applications may produce latitude/longitude coordinates that are in the centroid of a ZIP code or a census block if they cannot determine the coordinates of the address. This could result in duplicate coordinates. In such cases, filers should take steps to find more accurate latitude/longitude coordinates for the location, using alternative geolocation methods if necessary.<sup>22</sup>

### Locations without Addresses

The location data upload file format requires an address entry for each record. However, this address will not be automatically geocoded by the system or compared to the latitude/longitude coordinates in the record. If a standard, U.S. Postal Service street address is not available for a served location, filers can enter into the address Number and Street field(s) whatever information they have that

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<sup>20</sup> This was the approach taken in the methodology used to develop the model for use in both price cap and rate-of-return territories, and for consistency, we use the same approach to define what is a qualifying business location for all recipients of funding. *See also* 47 CFR § 54.901(g) (defining a consumer broadband-only loop as “a line [consistent with section 69.132] provided by a rate-of-return incumbent local exchange carrier to a customer without regulated local exchange voice service, for use in connection with fixed Broadband Internet access service, as defined in § 8.2”). Section 8.2, in turn, defines “Broadband Internet access service” as “[a] *mass-market* retail service by wire or radio that provides the capability to transmit data to and receive data from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up Internet access service.” 47 CFR § 8.2 (emphasis added).

<sup>21</sup> As of the release of this public notice, the HUBB will reject two locations if they have the same latitude/longitude to the 5<sup>th</sup> decimal point. As with other aspects of the HUBB, there may be cause to change this approach in the future depending upon experience with carrier filings.

<sup>22</sup> *See* HUBB Landing Page at <http://www.usac.org/hc/tools/hubb.aspx>.

could be used to find the location on a map or in person, such as the intersection of two roads, the block segment, or the distance from a nearby landmark.



## Do's and Don'ts

Below is some additional guidance based on U.S. Census documentation on living quarters and the methodology used in the CAM and A-CAM models.<sup>23</sup>

### DO report:

- All residential and business locations as described above
- Locations to which service could be provided within 10 business days
- An apartment building (multiple dwelling unit) or multi-unit business location in a single record

### DO NOT report:

- The location of the network's pedestal, box, or node
- Empty parcels of land
- Houses or buildings under construction
- Group quarters, such as dormitories, nursing homes, residential treatment centers, military installations, or correctional facilities – as residential locations
- Community anchor institutions (regardless of the size). Community anchor institutions include such entities as schools, libraries, hospitals and other medical providers, public safety entities, institutions of higher education, and community support organizations that facilitate greater use of broadband by vulnerable populations, including low-income, the unemployed, and the aged.
- Wireless infrastructure sites, such as cell towers
- The locations of businesses expected to purchase dedicated high capacity transmission, such as business data services
- Structures that are open to the elements—that is, the roof, walls, windows, and/or doors no longer protect the interior from the elements
- Vacant structures that are condemned or are to be demolished (often indicated by a sign on the structure)
- Boats, recreational vehicles (RVs), tents, caves, and similar types of shelter that no one is using as a residence

Carriers will receive credit towards their service milestones only for unique locations which are not duplicates of another location already filed and which meet their public interest obligations.<sup>24</sup> Rate-of-return carriers receiving CAF-BLS that are subject to the five-year deployment obligation will receive

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<sup>23</sup> See Census Data; Federal Communications Commission, Connect America Cost Model, (A-CAM) Model Methodology, [http://transition.fcc.gov/wcb/Model%20MethodologyACAM\\_2\\_3\\_1%20-%20Final.pdf](http://transition.fcc.gov/wcb/Model%20MethodologyACAM_2_3_1%20-%20Final.pdf) (last visited Dec. 2, 2016).

<sup>24</sup> Recipients of Phase II model-based support will not receive credit for locations filed in the HUBB that are duplicates of (1) Phase II locations which have already been filed on Form 481 or (2) Phase I Round 2 locations that have been or will be filed. See *Connect America Fund et al.*, Order, 31 FCC Rcd 2384, 2385, para. 5 (2016) (“[A price cap carrier] may not count the locations it serves using Phase I Round 2 incremental support towards its Phase II obligation to serve a set number of locations within the state. Accordingly, if the price cap carrier is using Phase I Round 2 funding to upgrade, or has already upgraded, specific locations in census blocks that were part of the offer of model-based support, it will need to deploy service to other locations in Phase II eligible census blocks or extremely high-cost census blocks in the state to fulfill its Phase II model-based support obligation to serve a specific number of locations.”).

credit towards their deployment obligations only for locations capable of receiving service consistent with their public interest obligations where service was newly available on or after May 25, 2016, the effective date of the new rules.<sup>25</sup> Recipients of Phase II model-based support and CAF A-CAM support will receive credit for all qualifying locations with service availability prior to the data submission date, regardless of when the location first became capable of receiving service, because they may count pre-existing locations towards satisfaction of their deployment obligation.

USAC is working to implement features in the HUBB to perform a number of data validations at the time of data upload.<sup>26</sup> These may include determining whether a location is (a) outside of the eligible service area, (b) duplicative of an already filed location, or (c) served by a maximum bandwidth that is lower than the carrier's minimum public interest or reporting obligations. The HUBB will provide messages to the carrier for locations failing data validations.<sup>27</sup> To determine if a location is outside of a carrier's eligible service area or is a duplicate, the HUBB will rely on the latitude and longitude of the location provided by the carrier. The HUBB will not geocode United States Postal Service mailing addresses submitted by carriers in order to generate a latitude and longitude.<sup>28</sup> Carriers must properly format and submit their data for locations in multiple dwelling units (MDUs) (e.g., apartment buildings) in order for these locations to be accepted by the HUBB and not be flagged or rejected as duplicates. When reporting the bandwidth available at a location, carriers only need to report whether the bandwidth available meets the relevant thresholds, not the exact maximum bandwidth capability of the network at that location.<sup>29</sup>

### **Location Filing Deadlines**

Except as noted above,<sup>30</sup> all recipients of Connect America support must report to the HUBB locations where they are offering broadband meeting their respective obligations.

*Recipients of Phase II Model-Based Support.* By March 1, 2017, recipients of Phase II model-based support must file in the HUBB all new qualifying locations to which they made broadband service

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<sup>25</sup> Federal Communications Commission, Connect America Fund, ETC Annual Reports and Certifications, Developing a Unified Inter-carrier Compensation Regime, Final Rule, 81 Fed Reg. 24282-24346 (April 25, 2016).

<sup>26</sup> *Rate-of-Return Reform Order*, 31 FCC Rcd at 3168, para. 221 n.482 (stating that the HUBB "should provide filers with confirmation that data has been accepted for filing and satisfies an initial data validation process.").

<sup>27</sup> USAC has provided guidance regarding the trigger and content of these error messages. See HUBB Landing Page at <http://www.usac.org/hc/tools/hubb.aspx>.

<sup>28</sup> See *id.* at <http://www.usac.org/hc/tools/hubb.aspx>. As was the case with the FCC Form 481 location filing, we require carriers to file addresses for each location (either USPS formatted or descriptive), but USAC will not use that information to determine, at the time of filing, if a location is within the eligible area, a duplicate or is otherwise a qualifying location. Rather, such information will be used by USAC only to detect and resolve data anomalies in post-submission processing. For example, address data may provide insight into a carrier's intent in entering two locations with the same latitude and longitude and flagged by the HUBB as a duplicate, e.g., that the locations should have been (1) filed as two apartment units in an MDU that were wrongly submitted as two non-MDU locations or (2) filed as separate non-MDU locations at different latitude and longitudes but data entry and/or geocoding errors placed both locations at the same latitude and longitude.

<sup>29</sup> For example, if a rate-of-return carrier's network is capable of offering 15 Mbps/1 Mbps service at a particular location, it would report that it is capable of providing at least 10 Mbps/1 Mbps at that location. See 47 CFR § 54.316(c) (describing rate-of-return carriers' speed reporting obligations).

<sup>30</sup> See *supra* note 1.



available in the prior calendar year (namely, 2016).<sup>31</sup> By March 1, 2018, and by March 1 in subsequent years, recipients of Phase II model-based support must file all new qualifying locations to which they made broadband available in each prior calendar year.

*Recipients of CAF A-CAM Support.* By March 1, 2017, and by March 1 in subsequent years, recipients of CAF A-CAM support must file in the HUBB all new qualifying locations to which they made broadband service available in each prior calendar year. By March 1, 2019, recipients of CAF A-CAM support must file all qualifying locations to which they made broadband service available prior to January 1, 2016, namely, pre-existing locations.<sup>32</sup>

*Recipients of CAF-BLS Support.* By March 1, 2017, recipients of CAF-BLS support must file all qualifying locations to which they newly made qualifying broadband service available between May 25, 2016 (the effective date of the *Rate-of-Return Order*) and December 31, 2016.<sup>33</sup> By March 1, 2018, and by March 1 in subsequent years, recipients of CAF-BLS support must file all new qualifying locations to which they made broadband available in each prior calendar year.<sup>34</sup>

*Alaska Plan.* By March 1, 2018, and by March 1 in subsequent years, rate-of-return Alaska Plan carriers must file all newly deployed or upgraded locations where broadband meeting the requirements of their approved performance plan became available in the prior calendar year.<sup>35</sup>

By the relevant reporting deadline, carriers must report *all* qualifying locations the carrier placed in service during the relevant reporting period, including locations that, if reported, would result in a carrier exceeding an interim or final milestone. This will enable the Commission and USAC to monitor overall progress towards the Commission's goal of expanding service availability. Carriers should not defer the reporting of qualifying locations to which they made service available in the relevant reporting period.<sup>36</sup> As the Commission explained in the *Rate-of-Return Order*, we encourage carriers to provide location information in the HUBB within 30 days of service availability but no later than their annual reporting deadlines.<sup>37</sup>

## Milestone Requirements and Certifications

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<sup>31</sup> *Rate-of-Return Reform Order*, 31 FCC Rcd at 3165, 3167, paras. 211, 218. Also by March 1, 2017, ACS must file all locations meeting its public interest obligations, whether deployed in 2016 or earlier. See *ACS Order* n.131.

<sup>32</sup> *Rate-of-Return Reform Order*, 31 FCC Rcd at 3165, para. 213.

<sup>33</sup> See *supra* note 25.

<sup>34</sup> See *Rate of Return Order*, 31 FCC Rcd at 3165, para. 211.

<sup>35</sup> 47 CFR § 54.316(a)(6).

<sup>36</sup> The reporting obligation is more expansive than the deployment obligation, as carriers are required to report locations that are served regardless of their progress towards the interim milestones. See, e.g., *Rate-of-Return Reform Order*, 31 FCC Rcd at 3117, para. 79 (“we require all rate-of-return carriers to submit the geocoded locations to which they have newly deployed facilities capable of delivering broadband meeting or exceeding defined speed tiers”); *id.* at 3164, para. 210 (“... we adopt a rule requiring all rate-of-return ETCs, starting in 2017, and on a recurring basis thereafter, to submit to USAC the geocoded locations to which they have newly deployed broadband.”); *id.* at 3165, para. 213 (“[C]ompanies that elect model-based support will include in their total location count *any* locations that already have broadband meeting the Commission’s minimum standards.”) (emphasis added); *id.* at 3167, para. 219 (“[P]rice cap ETCs will be required to submit the requisite information to USAC no later than March 1 of each year, for locations newly enabled in the prior year.”).

<sup>37</sup> *Id.* at 3164, 3167, paras. 211, 218.

Except as noted above, all recipients of Connect America support are required to meet defined service milestones and to certify in the HUBB that the milestones were met.<sup>38</sup>

Phase II model-based support recipients have their first interim milestone at the end of 2017.<sup>39</sup> Specifically, such recipients are required to offer broadband service meeting their public interest obligations to 40 percent of the required number of locations by December 31, 2017.<sup>40</sup> Phase II model-based support recipients must certify in the HUBB, by March 1, 2018, that they met that interim milestone.<sup>41</sup>

As explained in more detail below, RBE recipients must make similar certifications in the HUBB starting in 2018. Rate-of-return carriers outside of Alaska and rate-of-return Alaska Plan carriers will be required to meet defined milestones and must make milestone certifications in the HUBB in subsequent years.<sup>42</sup>

If a carrier fails to meet its milestone by the reporting deadline, the HUBB will notify the carrier that it has missed its milestone and by how many locations (the location shortfall). The HUBB will base the location shortfall on the difference between the carrier's milestone obligation and the number of locations submitted by that carrier in the HUBB at the time the milestone certification is due.<sup>43</sup>

Separate from carriers' milestone certification requirements, carriers have an independent duty under the rules to notify the "Commission, USAC, and the relevant state, U.S. Territory, or Tribal government, if applicable" – within 10 business days after a defined build-out milestone has passed – if they have failed to meet that deadline.<sup>44</sup> This obligation exists for both interim or intermediate deadlines and final deadlines. When a carrier has missed a milestone, it should notify the required parties that it missed the milestone by the number of locations missed.

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<sup>38</sup> See *supra* note 1.

<sup>39</sup> ACS' first milestone is at the end of 2018. See *ACS Order*, para. 43.

<sup>40</sup> 47 CFR § 54.310(c).

<sup>41</sup> 47 CFR § 54.316. ACS must certify compliance with its first milestone, due at the end of 2018, by March 1, 2019. See *ACS Order*, para. 52.

<sup>42</sup> Recipients of CAF A-CAM must offer service to 40 percent of the required number of 10 Mbps /1 Mbps locations by the end of 2020. See *Rate-of-Return Reform Order*, 31 FCC Rcd at 3101, para. 32 ("we require carriers receiving model-based support to offer at least 10 Mbps/1 Mbps broadband service to 40 percent of the requisite number of high-cost locations in a state by the end of the fourth year"); see also 47 CFR § 54.311(d). Recipients of CAF-BLS must newly offer service to the required number of locations required by their five-year deployment obligation by the end of 2021. See 47 CFR §§ 54.308(a)(2), 54.316(a)(3)(i). Similarly, rate-of-return carriers subject to approved Alaska Plan performance plans will have their first intermediate milestones at the end of the 5<sup>th</sup> year of their support term. See *Alaska Order* at para. 30. Following the Phase II auction and award of support, Phase II auction winners will have the same interim milestones as Phase II recipients of model-based support. See *Auction Order*, 31 FCC Rcd at 5964, para. 40 (setting interim milestones at year three (40 percent), year four (60 percent) and year five (80 percent)). ACS is required to offer service to 30 percent of its required locations by the end of 2018. See *ACS Order*, para. 43. Prior to the HUBB live date, USAC will provide guidance on the HUBB landing page and in the HUBB interface regarding how carriers can certify which locations filed by that carrier in the HUBB will count towards each buildout milestone.

<sup>43</sup> Recipients of Phase II model-based support must also certify in the HUBB by March 1, 2018, that "[b]y the end of calendar year 2017... at the holding company level, at least five percent of the nationwide total of funded locations that have been reported as newly served [are] locations that previously lacked 4/1 Mbps." *Connect America December 2014 Order*, 29 FCC Rcd at 15659, para. 37. Recipients of Phase II model-based support are the only carriers with this obligation. ACS does not have this obligation.

<sup>44</sup> 47 CFR § 54.320(d). We note that this rule does not apply to Connect America Fund Phase I incremental support.

Failure to certify compliance with a service milestone by the reporting deadline or a notification from the carrier that it has missed a milestone may, pursuant to section 54.320, trigger quarterly location data reporting requirements and/or the withholding of support.<sup>45</sup> Carriers may cure any shortfall and restore support by filing additional qualifying locations in the HUBB within the required timeframe.<sup>46</sup> If the carrier cures the shortfall before USAC withholds support or a quarterly report is due, the carrier will not face withholding or need to file a quarterly report.

### **Rural Broadband Experiment Reporting**

For administrative efficiency, we now align the timing of RBE recipients' annual reports with the annual reporting requirements for Phase II recipients of model-based support and rate-of-return carriers and direct RBE recipients to submit their three- and five-year milestone reporting and certifications to the HUBB.<sup>47</sup>

We note that RBE recipients have already filed location information and made related certifications on FCC Form 481, in WC Docket 14-259 and with USAC, states and Tribal governments as appropriate.<sup>48</sup> Those RBE recipients that accepted accelerated disbursement must file their 15-month milestone reports, starting in 2016 with the last report due to be filed in 2018.<sup>49</sup>

To ease the transition to the HUBB for USAC and RBE recipients, however, we delay the shift to the HUBB for all RBE location reporting and milestone certifications. Only RBE recipient location data and certifications due March 1, 2018 and later should be filed in the HUBB. For filings due prior to that time, RBE recipients should continue to file their location data, evidence of deployment, and interim milestone certifications and reports on FCC Form 481, with the Commission in WC Docket 14-259, with USAC, and with the relevant state commission and Tribal government, as appropriate. To provide sufficient time for RBE recipients to adjust to HUBB filings, USAC will notify RBE recipients prior to March 1, 2018 when the HUBB will be ready to accept RBE recipient data.

Starting with their annual reports due on March 1, 2018, and continuing with annual reports due March 1 in subsequent years, RBE recipients are required to file in the HUBB their annual location data on qualifying locations and associated evidence as of the preceding December 31.<sup>50</sup> The due dates of their three- and five-year milestone reports (based upon when each RBE was authorized to receive

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<sup>45</sup> *Id.*

<sup>46</sup> See 47 CFR § 54.320(d) (allowing carriers to cure any compliance gap).

<sup>47</sup> See *Technology Transitions et al.*, Order, Report and Order and Further Notice of Proposed Rulemaking et al., 29 FCC Rcd 1433, 1477, para. 128 (2014) (“The availability of Connect America funding for technology transition experiments is subject to the applicable requirements of sections 214 and 254 of the Act and will be conditioned on complying with all relevant universal service rules that the Commission has adopted or may adopt in the future.”); *Rural Broadband Experiments Order*, 29 FCC Rcd at 8794, para. 74 (“By the end of the third year, the recipients must offer service meeting the public service obligations we adopted for the relevant experiment category to at least 85 percent of the number of required locations and submit the required certifications and evidence. By the end of the fifth year, the recipients must offer service meeting the public service obligations we adopted for the relevant experiment category to 100 percent of the number of required locations and submit the required certifications and evidence.”).

<sup>48</sup> See FCC Form 481 Line 4004A, 4004B; *Rural Broadband Experiments Order*, 29 FCC Rcd at 8796, para. 80 (describing annual reporting requirements); *id.* at para. 81 (requiring “all recipients to file an interim report on the November 1 after they receive their first disbursement.”).

<sup>49</sup> *Rural Broadband Experiments Order*, 29 FCC Rcd at 8794, para. 75.

<sup>50</sup> Currently, RBEs must file their location data and certifications on FCC Form 481 by July 1, based on deployment as of June 1. See *id.* at 8796, para. 81.

support) will not change.<sup>51</sup> All RBE recipients' three- and five-year reports are due after March 1, 2018 when RBE recipients must begin filing all of their reports in the HUBB.<sup>52</sup> Therefore, all RBE recipients' three- and five-year milestone location data, associated evidence and milestone certifications must be filed in the HUBB.

### **Duty to File Complete, Accurate and Timely Data**

The Commission requires carriers to file accurate and timely location data so that USAC can determine if carriers have met their interim and final milestones and to provide critical information to states and Tribal governments to successfully undertake oversight of carriers within their jurisdiction. The HUBB will be a new reporting mechanism for recipients of Connect America support. Carriers' experience filing data through the HUBB will be different from filing location data on FCC Form 481 in a number of ways. For example, as explained above, we anticipate that the HUBB will perform additional data validations, such as determining whether a location's latitude/longitude coordinates fall within a carrier's eligible area. These validations may cause certain locations to be rejected or flagged with errors. In addition, many carriers will be filing location data for the first time this year.

We recognize that carriers may need assistance adjusting to this new process and encourage them to file as early as possible and reach out to USAC as necessary. To that end, USAC has created a carrier resources page on the USAC HUBB website.<sup>53</sup> Additionally, USAC has and will continue to perform outreach, including holding webinars, creating training videos, participating in industry conferences/trade shows, and engaging with individual stakeholders.<sup>54</sup> USAC will continue to provide ongoing guidance and training on the HUBB. In addition, USAC has released a "data validator" tool, which provides an opportunity for carriers to perform certain validations on their location data prior to submitting that data to the HUBB.<sup>55</sup> These include validating whether the data are formatted correctly, whether the file contains the required fields, and whether the filed locations fall within the filing carrier's eligible service area. We strongly encourage carriers to use this tool to reduce the likelihood of errors in filed data.

Despite carriers' best efforts, there may be instances where the HUBB will reject or flag problems in carriers' location data. For example, some geo-location methods may incorrectly place some of a carrier's locations outside of its eligible area.<sup>56</sup> USAC may also find data anomalies in post-processing review. Based on our experience in implementing the revised FCC Form 477 data collection, in the initial year there may be instances that require manual intervention or subsequent follow-up to resolve. We expect that USAC will work with carriers in such instances to resolve any discrepancies, and take into account any lessons learned from the initial implementation to provide further guidance as needed.

We remind carriers that they have an obligation under section 54.316 to, in good faith and to the best of their knowledge, file complete and accurate information in the HUBB.<sup>57</sup> This includes the

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<sup>51</sup> *Id.* at 8794, para. 74.

<sup>52</sup> The first three-year report is due from an RBE recipient in the second half of 2018.

<sup>53</sup> See HUBB Landing Page at <http://www.usac.org/hc/tools/hubb.aspx>.

<sup>54</sup> Past outreach documents and resources are available on the HUBB Landing page. See *id.*

<sup>55</sup> See Universal Service Administrative Company, Data Validator, <https://caf.universalservice.org/validator> (last visited Dec. 5, 2016).

<sup>56</sup> See HUBB Landing Page at <http://www.usac.org/hc/tools/hubb.aspx>.

<sup>57</sup> See, e.g., Form 481 Officer Certification ("I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate."). See also 47 CFR § 1.17(a)(2) (stating that no person may provide, in any written statement of fact "material factual information

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obligation to file *all* locations to which a carrier has made service available in accordance with its specific obligations for the reporting period,<sup>58</sup> not just a subset of those locations.<sup>59</sup> Carriers also have a duty to correct or amend submitted information if they have reason to believe, either through their own investigation or upon notice from USAC, that the data is inaccurate, incomplete, or contains data errors or anomalies.<sup>60</sup> This duty to correct or amend applies both before and after the carrier has filed and certified as complete its report for each reporting period. Carriers will not, however, be subject to non-compliance measures based on the information they have filed or omitted for a particular reporting period until the reporting period deadline has passed.

We expect that carriers will act diligently to timely correct any errors or omissions in all of their HUBB filings, including their initial filings. For example, we expect that carriers will work diligently so that soon after the March 1, 2017 filing deadline, Phase II recipients of model-based support and rate-of-return carriers will have submitted any missing data, including any qualifying locations inadvertently not reported, and corrected any data errors or anomalies found by USAC or by the carrier in their March 1, 2017 filing. In addition, we expect recipients of Phase II model-based support to timely correct missing data or correct data anomalies identified in the locations filed outside of the HUBB on FCC Form 481. We expect RBE recipients and rate-of-return Alaska Plan carriers to timely correct any errors in any data filed in their first HUBB filing due on March 1, 2018, and we expect RBEs to timely correct information previously filed outside of the HUBB. We expect that, after their first HUBB filing, the process will become more routine for all carriers.

For further information, contact Jonathan Lechter (Jonathan.Lechter@fcc.gov) of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

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that is incorrect or omit material information that is necessary to prevent any material factual statement that is made from being incorrect or misleading without a reasonable basis for believing that any such material factual statement is correct and not misleading.”).

<sup>58</sup> The reporting period varies by carrier as explained above. For example, by their March 1, 2019 report, recipients of CAF A-CAM must file (1) all locations built in the prior calendar year and (2) all locations built prior to 2016.

<sup>59</sup> Carriers must file an in-service date for each location. This in-service date will be used to determine the relevant reporting period to which the location should be attributed. For example, a location filed by a recipient of Phase II support with an in-service date of November 1, 2016 should be filed in the report due March 1, 2017. Because CAF A-CAM carriers must file all of their past locations by the March 1, 2019 filing, locations in that filing could have in-service dates prior to 2016. CAF A-CAM locations placed in service from January 1, 2016, through December 31, 2017, should have been filed in reports due on March 1, 2017 and March 1, 2018 as appropriate.

<sup>60</sup> See 47 C.F.R. § 1.17; cf. 47 CFR § 1.65. Prior to the HUBB live date, USAC will provide carriers with guidance regarding how to make corrections and amendments to locations filed in the HUBB through the HUBB interface and information posted on the HUBB landing page. USAC anticipates that this process will evolve and become more robust prior to the March 1, 2017 deadline.